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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Chapter 1

[Docket No. FAR 2013-0076, Sequence No. 7]

**Federal Acquisition Regulation; Federal Acquisition Circular
2005-71; Introduction**

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Summary presentation of final rules.

SUMMARY: This document summarizes the Federal Acquisition Regulation (FAR) rules agreed to by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) in this Federal Acquisition Circular (FAC) 2005-71. A companion document, the Small Entity Compliance Guide (SECG), follows this FAC. The FAC, including the SECG, is available via the Internet at <http://www.regulations.gov>.

DATES: For effective dates and comment dates see separate documents, which follow.

FOR FURTHER INFORMATION CONTACT: The analyst whose name appears in the table below in relation to the FAR case. Please cite FAC 2005-71 and the specific FAR case numbers. For information pertaining to status or publication

schedules, contact the Regulatory Secretariat at 202-501-4755.

Rules Listed in FAC 2005-71

<u>Item</u>	<u>Subject</u>	<u>FAR Case</u>	<u>Analyst</u>
I	Accelerated Payments to Small Business Subcontractors	2012-031	Chambers
II	New Designated Country—Croatia	2013-019	Davis
III	Technical Amendments		

SUPPLEMENTARY INFORMATION: Summaries for each FAR rule follow. For the actual revisions and/or amendments made by these FAR cases, refer to the specific item numbers and subjects set forth in the documents following these item summaries. FAC 2005-71 amends the FAR as specified below:

**Item I—Accelerated Payments to Small Business Subcontractors
(FAR Case 2012-031)**

This final rule amends the FAR to add a new clause, Providing Accelerated Payments to Small Business Subcontractors, as part of the implementation of OMB Memorandum M-12-16, Providing Prompt Payment to Small Business Subcontractors (as extended by OMB Memorandum M-13-15, Extension of Policy to Provide Accelerated Payment to Small Business Subcontractors). This new clause requires the prime contractor, upon receipt of accelerated payments from the Government, to make accelerated payments to small business subcontractors, to the maximum extent practicable,

after receipt of a proper invoice and all proper documentation from small business subcontractors. This clause will be inserted into all new solicitations issued after the effective date of this rule and resultant contracts, including solicitations and contracts for the acquisition of commercial items. This rule does not provide any new rights under the Prompt Payment Act and does not affect the application of the Prompt Payment Act late payment interest provisions. Small businesses benefit from this clause in that they should be paid more expeditiously by their prime contractor, which should improve small businesses overall cash flow.

Item II—New Designated Country—Croatia (FAR Case 2013-019)

This final rule amends the FAR to add Croatia as a new designated country under the World Trade Organization Government Procurement Agreement (WTO GPA). Croatia joined the European Union on July 1, 2013, which is a party to the WTO GPA.

Therefore, this rule adds Croatia to the list of WTO GPA countries wherever it appears in the FAR, whether as a separate definition, part of the definition of "designated country," the definition of "Recovery Act designated country," or as part of the list of countries exempt from the prohibition of acquisition of products produced by forced or indentured child labor. As a member of the

European Union, Croatia also is a party to the Agreement on Trade in Civil Aircraft.

This final rule will not have a significant economic impact on small entities.

Item III-Technical Amendments

Editorial changes are made at FAR 31.205-6, 52.202-1, 52.212-3, 52.212-5, and 52.213-4.

Dated: November 18, 2013

William Clark,
Acting Director,
Office of Government-wide
Acquisition Policy,
Office of Acquisition Policy,
Office of Government-wide Policy.

Federal Acquisition Circular (FAC) 2005-71 is issued under the authority of the Secretary of Defense, the Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 2005-71 is effective ***[insert date of publication in the Federal Register]*** except for item I, which is effective ***[insert date 30 days after publication in the Federal Register]***.

Dated: November 14, 2013.

Richard Ginman,
Director, Defense Procurement
and Acquisition Policy

Dated: November 18, 2013.

Houston Taylor,

Acting Senior Procurement Executive/Deputy CAO,
Office of Acquisition Policy,
U.S. General Services Administration.

Dated: November 15, 2013.

William P. McNally,
Assistant Administrator for Procurement,
National Aeronautics and Space Administration.

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